

Overview of Utah-German Relations

State of Utah, October 11th, 2005

Germany and Europa

Germany

Population: 80 m

EU-Europe

Population: 456 m

Europe

Population: 700 m

Economic facts in Germany

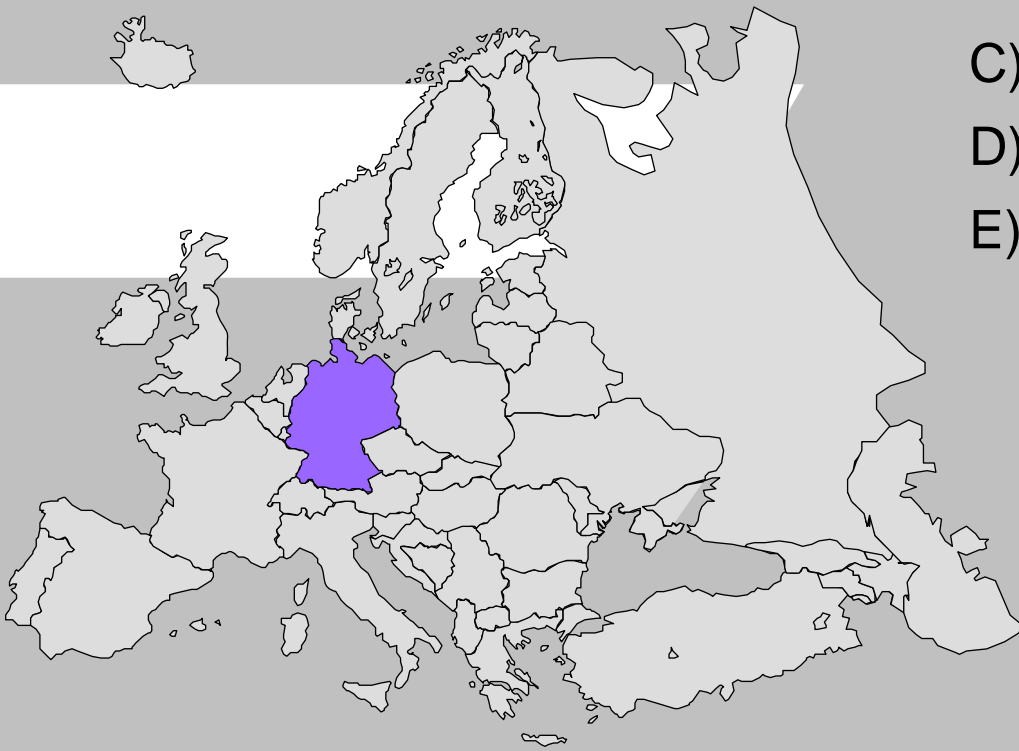
Capital	Berlin (3.38 million)
Land area	137.812 sq. miles
Population (31.12.2004)	82.5 million
Population density (per sqm)	598
nominal GDP per capita (2005 est.)	Euro 26.800
Inflation (2004)	1.6 %
Top personal income tax (federal)	42 %
Top corporate tax (federal)	25 % non-distributed

Pros of Germany or Why invest in Germany?

- Economy with power
- German quality and reliability
- In the center of Europe
- Center of trade
- Good infrastructure
- Well developed field of research and innovations
- Working force
- Sponsorships for companies
- Stability of economy, political system etc.
- Quality of life

Why Germany?

- A) Germany is a quarter of the European Union
- B) Germany is the most productive country in the EU
- C) The income is high
- D) Internationally educated people
- E) Most people speak English

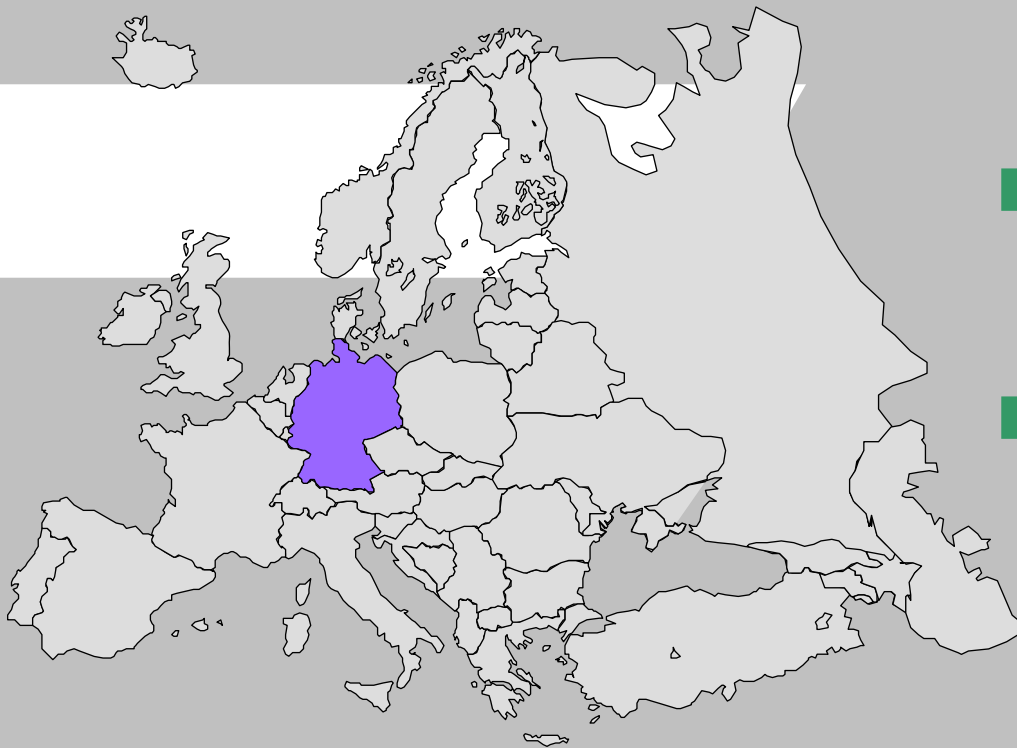


Be careful! Europe has ...

... more than 20 different languages

... more than 100 cultures

... more than 20 different distribution channels



UK is an island

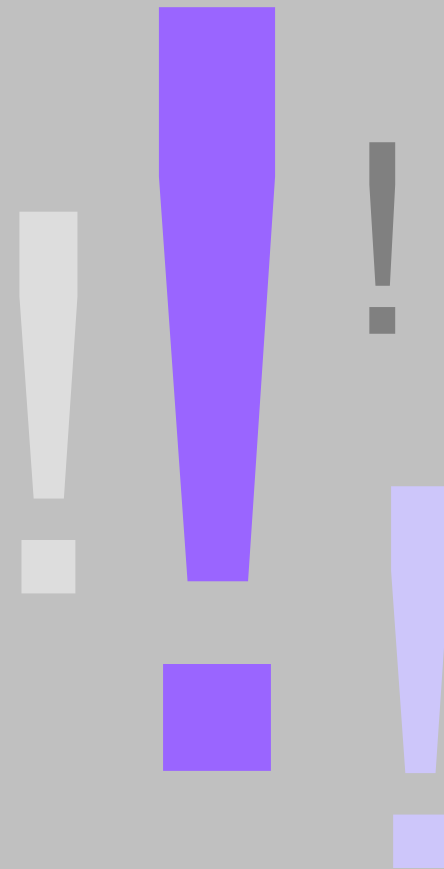


**And you need time to enter the
European or the German market**

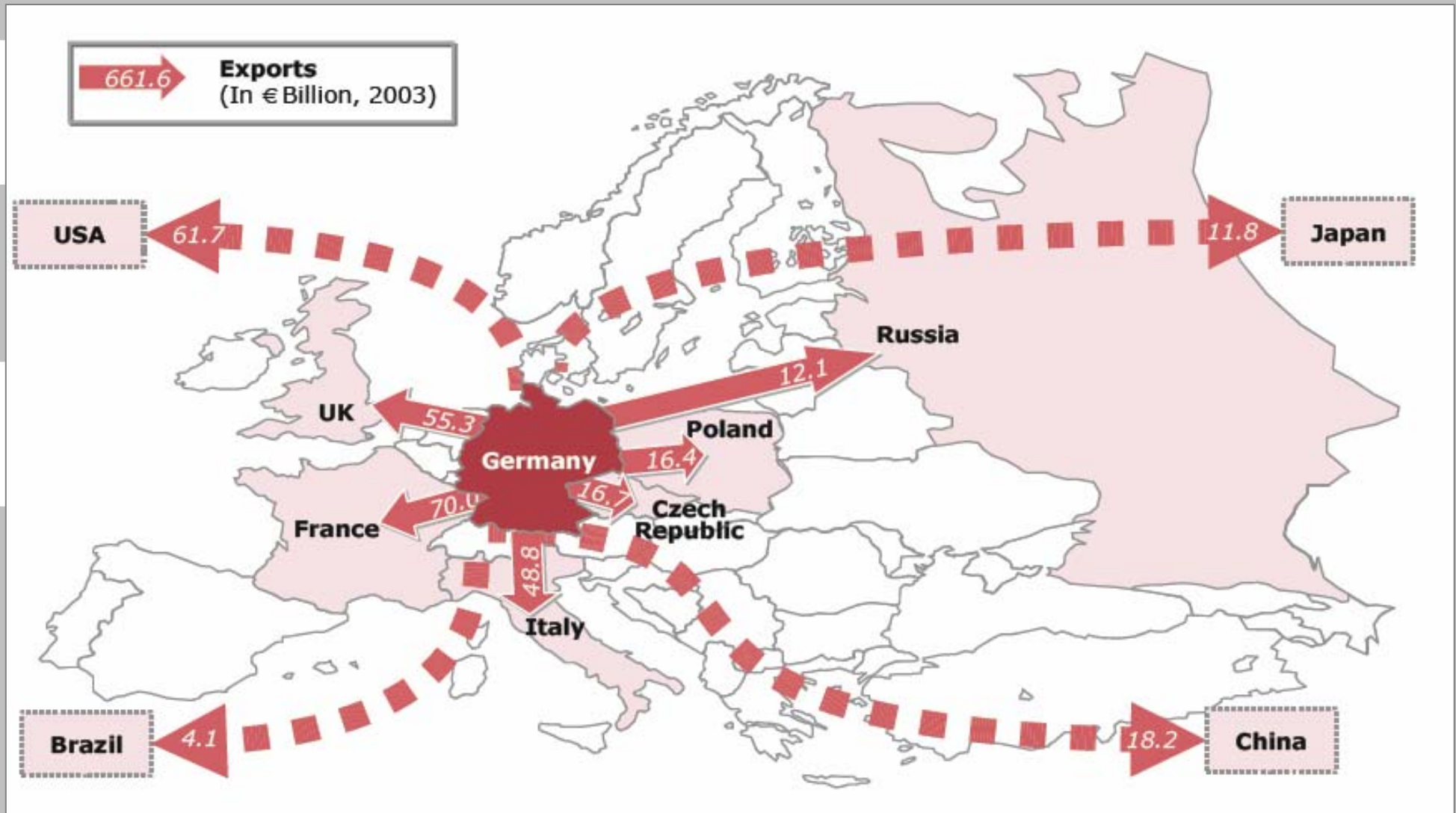
What you need is ...

- A ... a strong home base
- B ... funding for the market entry
- C ... a good business plan
- D ... a native person who knows the target market
- E ... a three-step model

1. context
2. excellent plan
3. perfect strategy



German products find markets around the world



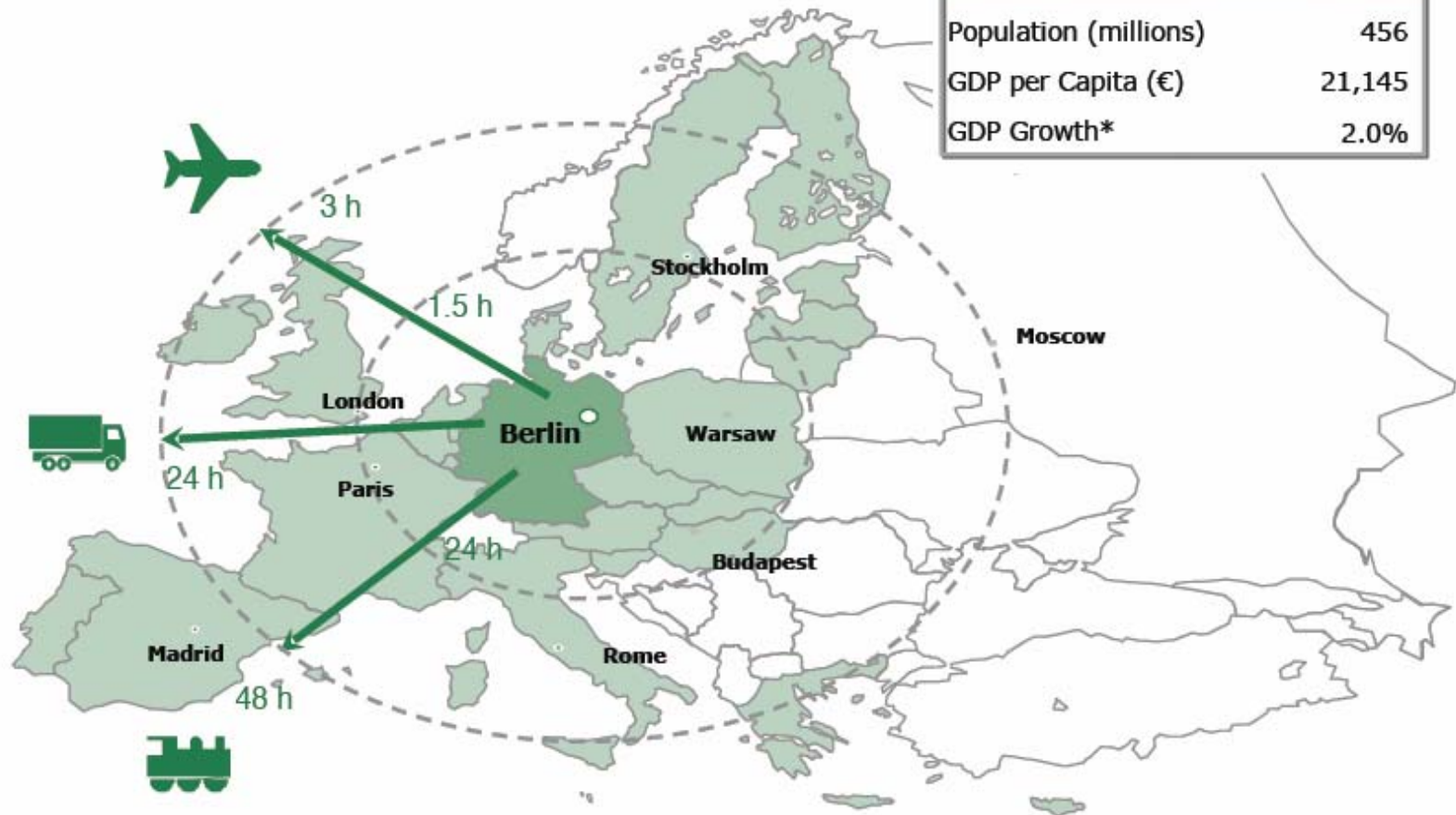


The Heart of Europe



A favorable geographic location grants access to all European markets.

European Union (2004)	
Population (millions)	456
GDP per Capita (€)	21,145
GDP Growth*	2.0%



Market

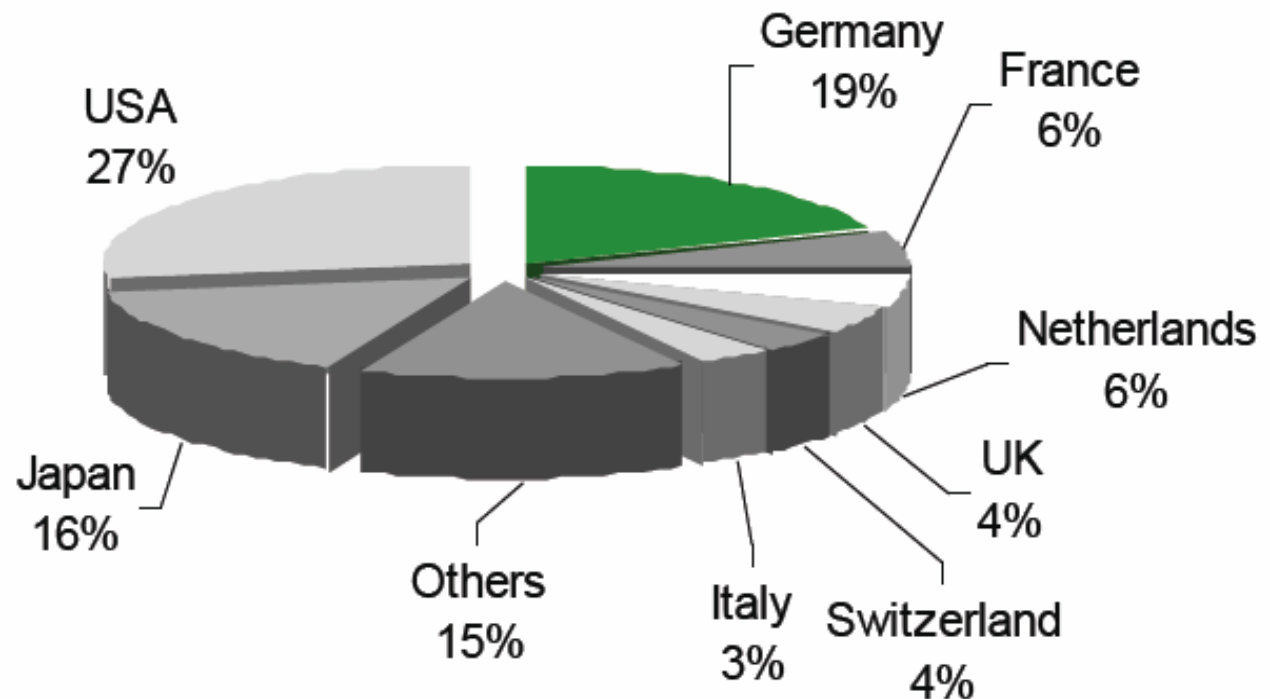
- ☐ Trade
- ☐ Productivity
- ☐ Industries
- ☐ Taxes
- ☐ Investment
- ☐ Incentives
- ☐ Contacts

A Leader in Innovation



World class human resources and a superlative R&D infrastructure make Germany fertile ground for innovation.

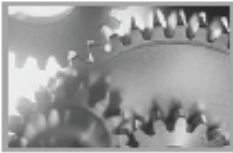
Countries with the most patent approvals from the European Patent Office (2003).



Source: European Patent Office (EPO)

- ☐ Market
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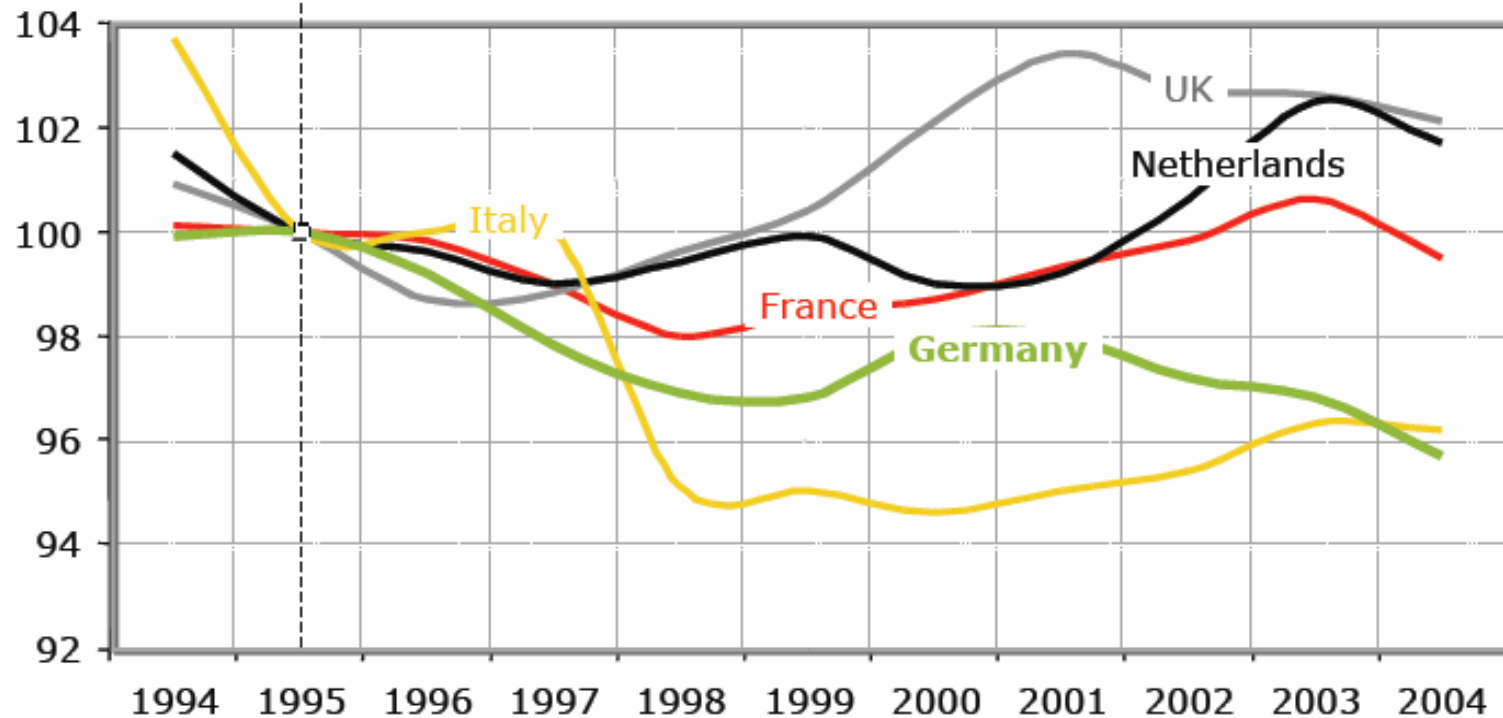
Reducing Costs through Productivity



High productivity rates are steadily lowering unit labor costs.

Unit Labor Costs of Entire National Economies

Index (1995=100)



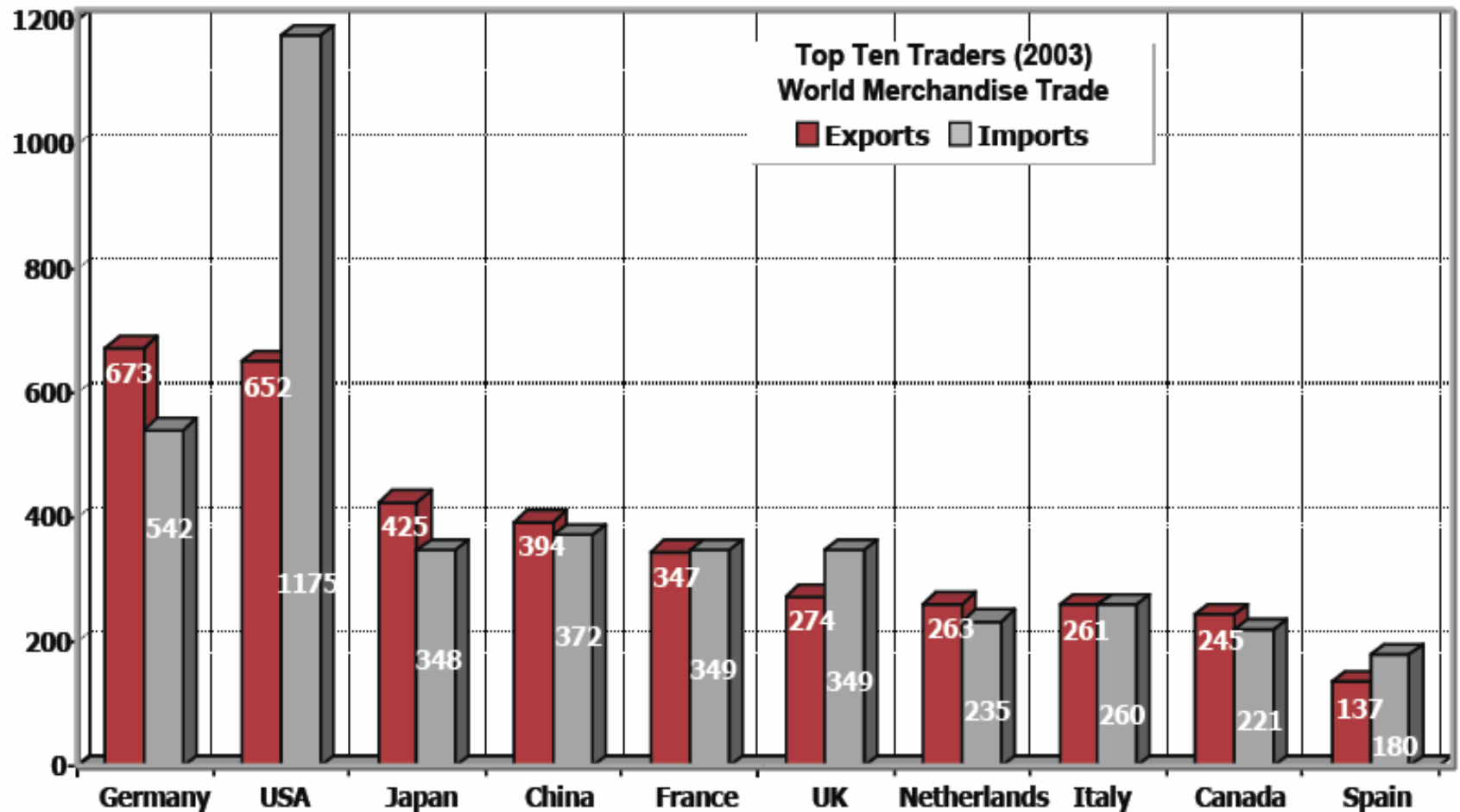
Source: European Commission

World's #1 Exporter



High quality and competitively priced goods make Germany the world's largest exporter.

€uro Billion (2003)



Economic Facts - Import / Export

Germany's most important suppliers in 2004

German imports/ Country of origin	in billion EUR	in %
Total	577	100.00
France	52.2	9.0
Netherlands	47.9	8.3
USA	40.3	6.9
Italy	34.9	6.0
Great Britain	34.3	6.0
PR China	32.5	5.6
Belgium	28.5	4.9
Austria	24.2	4.1
Switzerland	21.4	3.7
Japan	21.0	3.6
Spain	17.3	2.9
Czech Republic	17.0	2.9
Russia	16.2	2.8
Poland	15.9	2.7
Ireland	15.1	2.7
Hungary	13.3	2.3
Norway	13.1	2.2
Sweden	10.2	1.7
Denmark	9.3	1.6
Turkey	7.9	1.3

Source:
www.invest-in-germany.de;
 destatis

Economic Facts - Import / Export

Germany's most important customers in 2004

German exports / Country of origin	in billion EUR	in %
Total	733	100.00
France	75.3	10.3
USA	64.8	8.8
Great Britain	61.0	8.3
Italy	52.4	7.1
Netherlands	45.5	6.2
Belgium	41.2	5.6
Austria	39.4	5.3
Spain	36.8	5.0
Switzerland	27.9	3.8
China	20.9	2.8
Poland	18.8	2.5
Czech Republic	17.8	2.4
Sweden	15.8	2.1
Russia	14.9	2.0
Japan	12.7	1.7
Hungary	12.5	1.7
Turkey	11.8	1.6
Denmark	11.3	1.5
Finland	7.4	1.0
Portugal	6.8	0.9

Source:
www.invest-in-germany.de;
 destatis

Economic Facts - Import / Export

Among the most important German 2004 exports are:

Exports/ Type of goods	in billion EUR	in %
Total	733	100.00
Cars and trucks	134.9	18.4
Machines	102.5	13,9
Chemical products	94.7	12,9
Communications technology and radios	36.2	4.9
Electricity production apparatus	36.1	4,9
Metal products	35.6	4,8
Medical, measurement & control engineering	29.5	4.0
Nutritional goods	25.9	3.5
Other vehicles	25.3	3.4
Rubber and synthetic materials	23.8	3.2
Iron and steel products	22.1	3.0
Office machinery / EDP	21.6	2.9
Paper	14.6	1.9
Furniture, jewellery, musical instruments, sport goods, toys and other	12.1	1.6
Textiles	11.0	1.5
Glass and ceramic goods	9.2	1.2
Clothing	7.6	1.0
Print products / Multimedia products	4.4	0.6

Source:
www.invest-in-germany.de;
destatis

Economic Facts - Import / Export

The most important import goods in 2004 are:

Imports/ Type of goods	in billion EUR	in %
Total	577	100.00
Chemical products	63.4	10.9
Cars and trucks	59.6	10.3
Oil and gas	39.2	6.8
Machines	38.8	6.7
Communications technology and radios	37.7	6.5
Iron and steel produducts	31.4	5.4
Office machinery / EDP	27.8	4.8
Nutritional goods	27.1	4.6
Electricity production apparatus	24.6	4.2
Other vehicles	22.0	3.8
Medical, measurement & control engineering	16.0	2,7
Clothing	15.9	2.7
Agricultur goods	14.5	2.5
Rubber and synthetic material	13.9	2.4
Furniture, jewellery, musical instruments, sport goods, toys and other	13.3	2.3
Metal products	12.7	2.2
Paper	12.1	2.1
Textiles	11.7	2.0
Mineral oil products	11.3	2.0

Source:
www.invest-in-germany.de;
destatis

Utah's Merchandise Exports to Germany: 1997 to 2004

Rank	Country	1997	1998	1999	2000	2001	2002	2003	2004	2003-04 Percent Change	2004 Share
1	Canada	495.8	486.8	568.5	605.8	543.2	513.3	544.3	795.1	46.1%	17.1%
2	Switzerland	71.4	248.8	399.5	452.9	696.4	1,341.2	1,105.2	786.0	-28.9%	16.9%
3	United Kingdom	768.2	720.2	628.9	246.0	421.3	710.2	486.5	592.2	21.7%	12.8%
4	Japan	516.3	397.1	378.5	402.1	396.4	427.1	475.6	555.3	16.8%	12.0%
5	Germany	147.1	88.0	75.7	104.5	93.6	68.8	118.7	154.5	30.2%	3.3%
6	United Arab Emirates	7.7	9.2	20.6	16.0	5.3	5.5	4.5	121.5	2582.3%	2.6%
7	Philippines	94.5	111.6	79.6	105.2	79.4	84.8	103.6	119.3	15.1%	2.6%
8	Mexico	88.6	77.1	78.7	102.1	113.6	134.2	111.2	118.3	6.4%	2.5%
9	China	26.0	33.6	17.3	32.6	40.6	64.2	114.0	108.6	-4.8%	2.3%
10	Netherlands	108.8	98.2	120.8	151.2	154.3	137.8	124.4	105.6	-15.1%	2.3%
11	Singapore	63.0	38.0	44.0	54.9	46.3	263.6	38.4	93.0	141.9%	2.0%
12	Belgium	74.0	45.2	53.1	72.8	58.6	62.7	69.3	92.4	33.2%	2.0%
13	Hong Kong	44.1	28.5	40.4	58.4	53.2	67.4	58.9	90.7	54.1%	2.0%
14	Korea	112.1	50.7	67.2	128.9	127.6	88.4	69.9	86.4	23.7%	1.9%
15	Taiwan	98.8	44.6	43.6	76.3	57.1	59.7	62.8	80.1	27.7%	1.7%
16	Australia	33.2	44.2	44.9	59.7	54.1	51.6	67.3	73.3	9.0%	1.6%
17	France	46.1	42.7	57.1	46.9	54.1	51.1	66.3	67.2	1.3%	1.4%
18	Thailand	74.9	50.9	23.4	17.9	23.3	29.0	30.3	67.1	121.2%	1.4%
19	Italy	48.6	27.0	45.9	39.6	37.5	39.1	39.0	43.1	10.3%	0.9%
20	Israel	9.6	9.7	8.6	8.9	9.7	9.4	20.4	42.8	109.9%	0.9%

Source:

„The economic Report to the Governor 2005“ available @ <http://www.governor.utah.gov/dea>

Exports and Trade

- Germany's exports include: chemicals, motor vehicles, iron and steel products, manufactured goods, electrical products. Germany's major trading partners are France, the United States, and the United Kingdom.
- Germany's imports include: food, petroleum products, manufactured goods, electrical products, motor vehicles, apparel. Germany's major trading partners are France, the United States, and the Netherlands.
- Germany is among the top ten markets for Utah's exports, it ranked as number 5 in 2004.
- In 2004, total merchandise exports to Germany from Utah were \$154.5 million, a 30.5% increase from the \$118.7 million in 2003.

Source:

„The economic Report to the Governor 2005“ available @<http://www.governor.utah.gov/dea>

U.S. Census Bureau, the World Gazetteer, Geography IQ, the U.S. Department of State and the Office of Trade and Economic Analysis U.S. Department of Commerce

The top exports from Utah to Germany in 2004 are:

Computers and Electronic Products:	\$ 108.1 million	(69.9%)
Machinery Manufactures:	\$ 17.4 million	(11.2%)
Misc. Manufactures:	\$ 16.0 million	(10.3%)
Food	\$ 11.6 million	(7.5%)
Chemicals:	\$ 10.1 million	(6.5%)
Transportation Equipment:	\$ 5.2 million	(3.3%)
Electrical Equipment:	\$ 4.5 million	(2.9%)

Source:

„The economic Report to the Governor 2005“ available @<http://www.governor.utah.gov/dea>

U.S. Census Bureau, the World Gazetteer, Geography IQ, the U.S. Department of State and the Office of Trade and Economic Analysis U.S. Department of Commerce

Job losses and gains by major employment sector

Sector	Job Loss 2001 to 2003	Average Annual Salary
Manufacturing	- 10,011	\$ 36,816
Prof. and Bus. Services	- 5,330	\$ 45,828
Construction	- 4,412	\$ 30,756
Information	- 3,376	\$ 39,948
Transportation	- 2,760	\$ 36,096
Retail Trade	- 2,222	\$ 20,604
Wholesale Trade	- 870	\$ 42,204
Mining	- 513	\$ 49,464
Utilities	- 329	\$ 83,304
State Government	660	\$ 32,112
Leisure and Hospitality	1,327	\$ 22,848
Federal Government	2,032	\$ 45,516
Other Services	2,177	\$ 22,248
Financial Activities	2,346	\$ 37,680
Local Government	4,082	\$ 26,784
Education and Health Services	8,598	\$ 27,540
Average Wage in Utah	-	\$ 30,120

Source:

20 / 30 Utah Department of Workforce Services @ <http://jobs.utah.gov/wi/statewide/state.asp>

Trade Fairs / Exhibitions

Information

- CeBIT

Hanover

09. - 15.03.2006

Manufacturing

- Factory Automation / Hannover Messe
- METAV München
- ACHEMA

Hanover

24. - 28.04.2006

Munich

04. - 07.04.2006

Frankfurt

15. - 20.05.2006

Construction

- bautech

Berlin

21. - 25.02.2006

Transportation

- EuroCargo
- TRANSPORT LOGISTIC
- LogiMAT

Cologne

30.05. - 01.06.2006

Munich

12. - 15.06.2007

Stuttgart

28.- 30.03.2006

Trade Fairs / Exhibitions

Mining

- INTERGEO

Dusseldorf
Munich

04. - 06.10.2005
10. - 12.10.2006

Utilities

- E-world energy & water
- IFAT

Essen
Munich

14. - 16.02.2006
05. - 09.05.2008

Leisure and Hospitality

- CMT
- spoga

Stuttgart
Cologne

14. - 22.01.2006
03. - 05.09.2006

For more information: www.auma.de

Projects for the State of Utah

Wirthlin Worldwide Phonex

developing market overview
developing market study; preparing business trip;
organizing company contacts

Infineon PowerQuest

making contact to the COO of Infineon
making contacts, gathering information concerning
handling of VAT

StaatsBike

investigation on exhibitions and trade magazines in the
field of bikes and BMX-bikes

Power Company

market entry Germany

Further assistance for the following Utah companies:

NACT Telecommunications, Computing Edge, Fat Pipe / Ragula Sys.,
Intelliquis, World Wireless Comm., TRACO etc.

Preparing trips to Utah for German companies:

IVG AG, Deutsche Telekom, Freundlieb

Scope of work

- Trade shows (Supporting Utah companies and the State of Utah in attending 2 or 3 trade fairs (CeBit, Systems, Medica))
- Trade delegations
 - Organizing and preparing one trade delegation from Utah companies to Germany
 - Organizing and preparing one trade delegation from German companies to Utah
- Support for Utah companies:
 - Market entry study
 - Creating the strategy for the German market
 - Trade delegations to Germany
 - Trade show assistance in Germany
 - Event management for Utah companies or the state of Utah
(ExperConsult organized and ran seminars up to 1.100 attendants)
- Contacting 1.200 economic developers in Germany (customers of ExperConsult) as multipliers for the small and medium sized companies (SMEs)

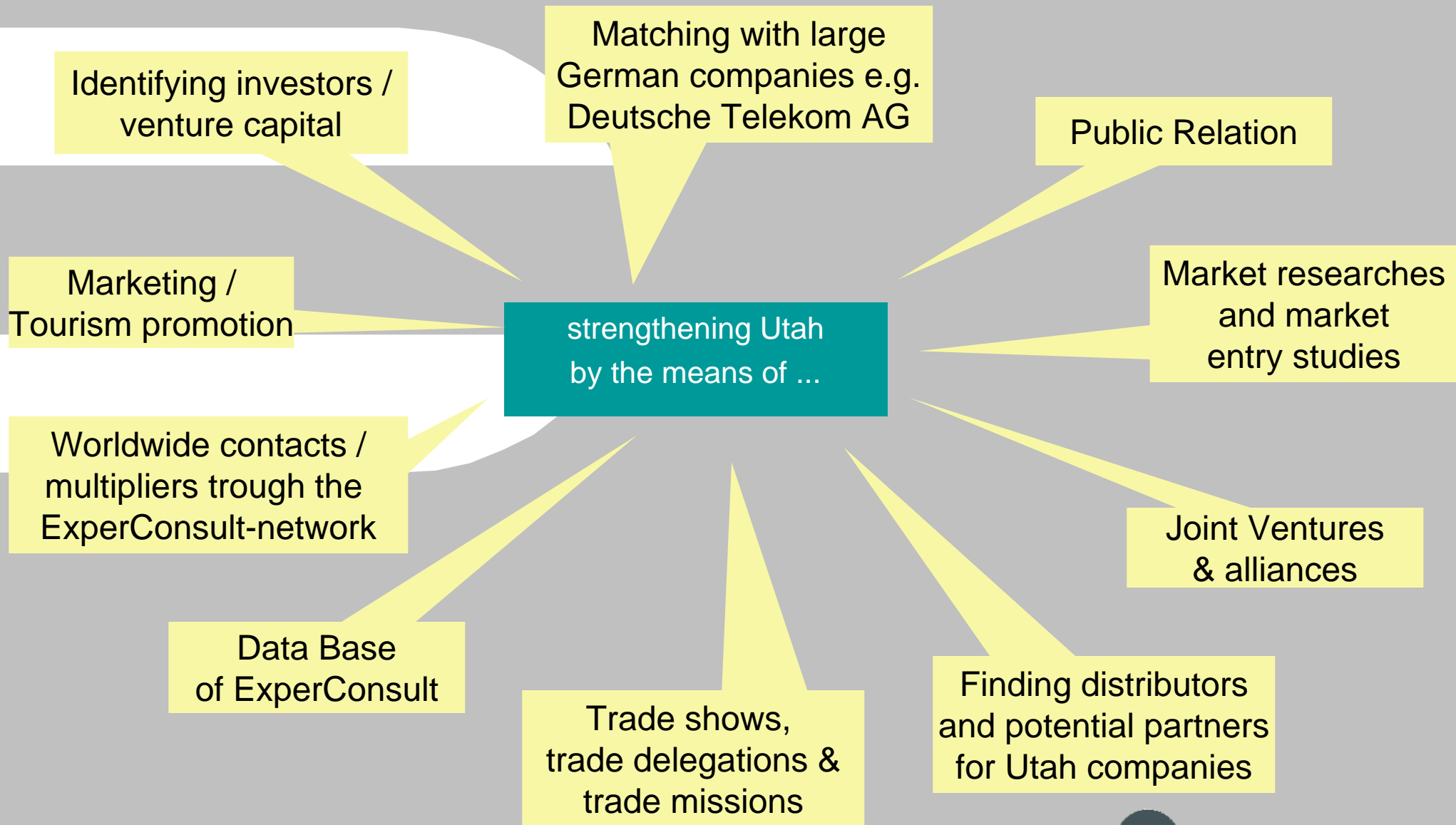
ExperConsult - Management consultancy

ExperConsult has consulting experience with technology-based companies for 25 years

We help . . .

- . . . to create a business plan,
- . . . to fund the activities,
- . . . to find investment partners,
- . . . to make market studies and
- . . . to enter international markets.

Support for Utah



The data base of ExperConsult contains:

- Data base with about 1 Mio. registered German companies
- Data base with 3.2 Mio. German companies in cooperation with the German Creditreform Rating AG
- Contact and contract with all German economic developers (about 1,200 contact partners)
- qualified addresses inclusive name of CEO of
 - all German chamber of Commerces
 - all German technology parks and centers
 - all German venture capitalists
 - all large German consultants
- more than 2,000 participants through running different events

More information

- www.invest-in-germany.de
- www.bfai.de
- www.bmwi.de
- www.bmwa.bund.de
- www.oecd.de

- ISO (International Organization for Standardization) is the source of the ISO 9000 and ISO 14000 families of quality and environmental management standards and some 15 000 International Standards for business, government and society.
- ISO is a network of national standards institutes from 146 countries working in partnership with international organizations, governments, industry, business and consumer representatives.

ISO 9000 and ISO 14000 - in brief



- The ISO 9000 and ISO 14000 families are among ISO's most widely known standards ever.
- ISO 9000 and ISO 14000 standards are implemented by some 760 900 organizations in 154 countries.
- ISO 9000 has become an international reference for quality management requirements in business-to-business dealings, and ISO 14000 is well on the way to achieving as much, if not more, in enabling organizations to meet their environmental challenges.

Source:

International Organization for Standardization

@ <http://www.iso.org/iso/en/ISOOnline.frontpage>

ISO 9000 and ISO 14000 - in brief



The vast majority of ISO standards are highly specific to a particular product, material, or process. However, the standards that have earned the ISO 9000 and ISO 14000 families a worldwide reputation are known as "generic management system standards".

"Generic" means that the same standards can be applied:

- to any organization, large or small, whatever its product
- including whether its "product" is actually a service,
- in any sector of activity, and
- whether it is a business enterprise, a public administration, or a government department.

ISO 9000 and ISO 14000 - in brief



- **"Generic"** also signifies that no matter what the organization's scope of activity, if it wants to establish a quality management system or an environmental management system, then such a system has a number of essential features for which the relevant standards of the ISO 9000 or ISO 14000 families provide the requirements.
- **"Management system"** refers to the organization's structure for managing its processes - or activities - that transform inputs of resources into a product or service which meet the organization's objectives, such as satisfying the customer's quality requirements, complying to regulations, or meeting environmental objectives.

ISO 9000 overview



The ISO 9000 family is primarily concerned with "**quality management**". This means what the organization does to fulfil:

- the customer's quality requirements, and
- applicable regulatory requirements, while aiming to
- enhance customer satisfaction, and
- achieve continual improvement of its performance in pursuit of these objectives.

ISO 1400 overview



The ISO 14000 family is primarily concerned with "**environmental management**". This means what the organization does to:

- minimize harmful effects on the environment caused by its activities, and to
- achieve continual improvement of its environmental performance.